(b) defining at least one rule for use in a simulation in which changes to the composition of said simulated dynamic portfolio are to be simulated, wherein said defining step is performed prior to executing said simulation, and wherein said at least one rule is dependent on at least one tracking attribute, on at least one tracking position, and on at least one trade position;

(c) selecting one of said plurality of possible future scenarios under which said simulation is to be performed;

(d) executing a simulation under the possible future scenario selected in step (c) at said plurality of future time steps, wherein the current time step is initially the first time step of said plurality of future time steps, wherein the composition of the simulated dynamic portfolio at the first time step is set to the initial composition of the simulated dynamic portfolio as generated at step (a), and wherein the following substeps are performed:

  i. valuing said simulated dynamic portfolio at the current time step of said plurality of future time steps, wherein a model for each simulated instrument in said simulated dynamic portfolio is evaluated;

  ii. simulating changes to said simulated dynamic portfolio by evaluating said at least one rule to produce a changed simulated dynamic portfolio, wherein said changes are dependent on the value of said at least one tracking attribute at the current time step, and wherein said simulated dynamic portfolio becomes said changed simulated dynamic portfolio after said changed simulated dynamic portfolio is produced;

  iii. setting the current time step to the next time step of said plurality of future time steps and repeating substeps (i) and (ii);

  iv. repeating substep (iii) until said simulated dynamic portfolio has been valued at all of said plurality of future time steps;

(e) repeating steps (c) and (d) for each remaining possible future scenario of said plurality of possible future scenarios; and

(f) producing an output risk metric, wherein said output risk metric is dependent on the composition of the simulated dynamic portfolio under at least one of said plurality of possible future scenarios;
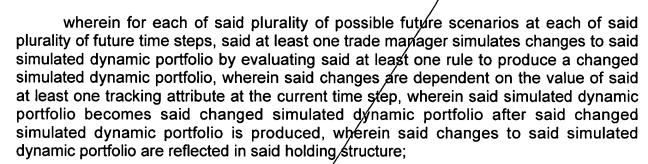
wherein for at least one simulation executed at step (d), the simulating substep performed therein requires generating one or more needed simulated instruments and adding said needed simulated instruments to the simulated dynamic portfolio in producing a changed simulated dynamic portfolio, wherein each of said needed simulated instruments is generated in accordance with a generic model associated therewith, and wherein each of said needed simulated instruments is not an existing instrument at the time said at least one simulation is executed.

Please amend claim 41 as follows:

41.   (Twice amended) A simulated dynamic portfolio of instruments for use with a risk management system in a simulation, the composition of said simulated dynamic portfolio being changeable under a plurality of possible future scenarios at a plurality of future time steps, said simulated dynamic portfolio comprising:

(a) a holding structure indicating simulated instruments and their quantity in said simulated dynamic portfolio; and

(b) a strategy structure indicating a trade manager in which at least one rule for a trading strategy is defined, wherein said at least one rule is dependent on at least one tracking attribute, on at least one tracking position, and on at least one trade position, wherein said at least one rule is defined prior to executing said simulation;

wherein for each of said plurality of possible future scenarios at each of said plurality of future time steps, said at least one trade manager simulates changes to said simulated dynamic portfolio by evaluating said at least one rule to produce a changed simulated dynamic portfolio, wherein said changes are dependent on the value of said at least one tracking attribute at the current time step, wherein said simulated dynamic portfolio becomes said changed simulated dynamic portfolio after said changed simulated dynamic portfolio is produced, wherein said changes to said simulated dynamic portfolio are reflected in said holding structure;

and wherein for at least one of said plurality of possible future scenarios at one or more future time steps, said trade manager generates one or more needed simulated instruments and adds said needed simulated instruments to the simulated dynamic portfolio in producing a changed simulated dynamic portfolio, wherein each of said needed simulated instruments is generated in accordance with a generic model associated therewith, and wherein each of said needed simulated instruments is not an existing instrument at the time said simulation is executed.

Please amend claim 48 as follows:

48.   (Twice amended) A risk management system operable on a plurality of instruments, said system comprising:

(a) at least one risk engine adapted to determine a risk value for each simulated instrument of a plurality of simulated instruments, said risk value determined by evaluating a model for said simulated instrument under one of a plurality of possible future scenarios;

(b) a database to store risk values of said plurality of simulated instruments;

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(c) a simulated dynamic portfolio of simulated instruments, the composition of said simulated dynamic portfolio being changeable under said plurality of possible future scenarios at a plurality of future time steps, said simulated dynamic portfolio comprising a holding structure indicating simulated instruments and their quantity in said simulated dynamic portfolio and a strategy structure indicating a trade manager in which at least one rule for a trading strategy is defined, wherein said at least one rule is dependent on at least one tracking attribute, on at least one tracking position, and on at least one trade position, wherein said at least one rule is defined prior to executing said simulation, wherein for each of said plurality of possible future scenarios at each of said plurality of future time steps, said at least one trade manager simulates changes to said simulated dynamic portfolio by evaluating said at least one rule to produce a changed simulated dynamic portfolio, wherein said changes are dependent on the value of said at least one tracking attribute at the current time step, wherein said simulated dynamic portfolio becomes said changed simulated dynamic portfolio after said changed simulated dynamic portfolio is produced, wherein said changes to said simulated dynamic portfolio are reflected in said holding structure, and wherein for at least one of said plurality of possible future scenarios at one or more future time steps, said trade manager generates one or more needed simulated instruments and adds said needed simulated instruments to the simulated dynamic portfolio in producing a changed simulated dynamic portfolio, wherein each of said needed simulated instruments is generated in accordance with a generic model associated therewith, and wherein each of said needed simulated instruments is not an existing instrument at the time said simulation is executed; and

(d) an aggregating engine adapted to retrieve said determined risk values to produce a risk metric dependent on the composition of said simulated dynamic portfolio under at least one of said plurality of possible future scenarios.

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